

Message Text

CONFIDENTIAL

PAGE 01 BONN 14906 161529Z
ACTION EUR-12

INFO OCT-01 EA-10 ISO-00 CIAE-00 DODE-00 INR-10
NSAE-00 PA-01 ICA-11 SP-02 EB-08 COME-00 TRSE-00
OMB-01 SMS-01 /057 W
-----107692 172140Z /13

R 161520Z AUG 78
FM AMEMBASSY BONN
TO USLO PEKING
SECSTATE WASHDC 1125
INFO AMCONSUL FRANKFURT
AMCONSUL HONG KONG
AMEMBASSY LONDON

C O N F I D E N T I A L BONN 14906

E.O. 11652: GDS
TAGS: ETRD, EEWT, GW
SUBJECT: FRG COMMERCIAL ACTIVITIES IN PRC

REF: A) PEKING 2457 (NOTAL), B) LONDON 12408

1. IN A GENERAL DISCUSSION OF EAST-WEST TRADE FRG
ECONMIN OFFICIAL BROUGHT UP THE FACT THAT BRITISH
TRADE MINISTER DELL WAS IN CHINA RECENTLY. OFFICIAL
BELIEVES THAT MINING MACHINERY FOR PROJECTS IN MANCHURIA
WAS THE MAJOR TOPIC OF HIS TALKS.

2. IN REGARDS TO SUPPLYING MINING EQUIPMENT, GERMAN
INDUSTRIALISTS ARE EXPECTED TO VISIT CHINA, PROBABLY
THIS FALL, TO DISCUSS MODALITIES OF ANY SALES
INCLUDING THE ISSUE OF PAYMENT. OFFICIAL SAID
CONSIDERATION OF PAYMENT METHOD ALSO IMPLIED
DISCUSSION OF COMPENSATION AGREEMENTS. (COMMENT:
WE ASSUME THEY WON'T BE TERMED AS SUCH.) BECAUSE
OF COAL IMPORT RESTRICTIONS IN THE FRG, GERMAN
COMPANIES COULDN'T EVEN CONSIDER PAYMENT IN COAL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 14906 161529Z

UNLESS THEY PLANNED ON SELLING THE COAL TO THIRD
MARKETS.

3. BESIDES COAL PROJECTS, ALONG WITH PERHAPS OTHER
ENERGY PROJECTS, GERMAN OFFICIAL WAS NOT TOO
OPTIMISTIC ABOUT MAJOR NEW PROJECTS IN THE SHORT
RUN. ALTHOUGH CHINESE INDUSTRIAL NEEDS ARE TREMENDOUS,

THEIR ABILITY TO FINANCE MAJOR CAPITAL PROJECTS ISN'T.
THEREFORE, THEY WILL MOVE SLOWLY, CONCENTRATING IN
AREAS OF THEIR GREATEST NATURAL RESOURCES. HOWEVER,
HE DID MENTION THAT GERMAN BANKS WOULD BE EAGER TO
LOAN SUBSTANTIAL AMOUNTS OF MONEY ON COMMERCIAL TERMS
AND BUSINESSMEN WERE VERY INTERESTED IN DOING
BUSINESS WITH CHINA.

4. COMMENT: BECAUSE OF CHINESE PRACTICE OF DEALING
DIRECTLY WITH BUSINESSMEN, RATHER THAN THROUGH
GOVERNMENTS, PRIVATE BUSINESSMEN ARE LIKELY TO BE
THE BEST SOURCE OF PRECISE INFORMATION ON UPCOMING
OR RECENT DEALS.

MEEHAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EAST WEST TRADE
Control Number: n/a
Copy: SINGLE
Draft Date: 16 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BONN14906
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780337-0049
Format: TEL
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780855/aaaabucv.tel
Line Count: 76
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 21b8fc61-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 PEKING 2457, 78 LONDON 12408
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1714814
Secure: OPEN
Status: NATIVE
Subject: FRG COMMERCIAL ACTIVITIES IN PRC
TAGS: ETRD, EEWT, GE
To: PEKING STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/21b8fc61-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014